



**U.S. Department of Justice
U.S. Attorney's Office
Western District of Texas**

Johnny Sutton, U.S. Attorney

FOR IMMEDIATE RELEASE

April 5, 2005

Shana Jones, Special Assistant
(210) 384-7452

MAN CLAIMING TO BE A GULF WAR POW GUILTY OF FRAUD

U.S. Attorney Johnny Sutton announced today that a federal jury in El Paso, Texas found 50-year-old John Karl Lee guilty of mail fraud and making false statements to obtain federal employee's compensation. The jury also returned a verdict of forfeiture in the amount of \$165,997.50 representing money paid to Lee by the government to which he was not legally entitled to receive.

"Mr. Lee's crime is especially outrageous when one thinks of our brave soldiers risking their lives every day in Iraq with many having been seriously and permanently wounded. While American soldiers are fighting and dying in Iraq to protect the freedoms that we all hold dear, Mr. Lee is finally being held to account for ripping off the taxpayers by faking war injuries," stated U.S. Attorney Johnny Sutton.

Evidence at trial showed that in June 1991, the defendant, while on active military duty in Saudi Arabia, went sightseeing with two other soldiers and strayed into Kuwait, then Iraq and was subsequently taken by Iraqi authorities and held for approximately three days. It was part of the scheme to defraud that the defendant falsely claimed that this detention resulted in his being held and physically abused as a prisoner of war.

The evidence further showed that in April 1994, the defendant (a U.S. Postal Service employee) filed a claim with the U.S. Department of Labor requesting medical treatment and other benefits provided by the Federal Compensation Act. At this time he made false and fraudulent representations that his Post Traumatic Stress Disorder was as a result of having been held captive as a prisoner of war in Iraq for a period of three weeks in 1991. He further claimed this condition prevented him from working.

Based on the defendant's fraudulent representations, he was granted total disability. The grant of total disability was based on defendant's claim he was unable to perform any work. However, defendant continued to perform military reservist's work and, on August 19, 1999, he started a business. Nevertheless, he made repeated declarations to the Department of Labor from 1998 to 2001, that he was not employed, despite the fact that he owned a business and was employed as a United States Army Reservist and receiving compensation for such.

As a result of the fraudulent representations, Lee received from the United States government approximately \$229,000 to which he was not entitled.

This case was investigated by the U.S. Postal Inspector's Service, Department of Labor Office of Inspector General, Department of Veteran's Affairs Office of Inspector General, and Department of Defense Criminal Investigation Service and is being prosecuted for the government by Assistant United States Attorneys William F. Lewis, Jr. and J. Brandy Gardes.

#####